

Rural Utilities Service, USDA

§ 1700.20

conversion of data from source documents and the preparation of statements, reports, analyses, and other information, and provides training and assistance to users; and

(3) Collects and analyzes financial, operating, and other statistical data obtained from borrowers and other sources, and prepares reports on the progress and status of the programs of RUS and the RTB.

(e) The Financial Operations Division administers the fiscal accounting program of the agency and the RTB. The division:

(1) Develops, recommends and implements accounting policies, systems, and procedures regarding the Agency's and RTB's operations;

(2) Maintains accounts to provide control over and accountability for all funds, assets, liabilities, income and expenses of the Agency and the RTB; and prepares reports required by RUS, RTB, the U.S. Department of Agriculture, and other government agencies;

(3) Examines and certifies for payment, vouchers and invoices covering administrative expenses and loan fund advances of the Agency and the RTB;

(4) Reviews, examines and processes monthly billings and debt service payments for RUS and RTB loans;

(5) Reviews, examines and processes loan fund advances, billings, debt service payments and all other accounting related activities connected with Federal Financial Bank loans to RUS borrowers; and

(6) Maintains custody of the original copies of notes and mortgages and certain loan collateral.

§ 1700.9 Information, legislation, policy and management analysis.

The Deputy Administrator—Management and Policy Support, directs two separate staffs of the Agency dealing with public information and legislation, and policy and management analysis.

(a) The Legislative and Public Affairs Staff performs the following functions:

(1) Analyzes the policy, programs and procedural implications of Federal and State legislation affecting RUS programs; prepares special reports for the Administrator on legislative affairs;

and responds to inquiries from Congress and others concerning RUS programs;

(2) Maintains liaison with the Department's legislative staff and with congressional offices;

(3) Manages the information activities of the Agency to provide borrowers and the public with timely information concerning the operations, status, progress and accomplishments of the rural electrification, rural telephone and rural development programs;

(4) Evaluates the public information activities of the Agency and advises on actions that will improve public understanding and acceptance of Agency functions; and

(5) Administers the public information provisions of 5 U.S.C. 551 *et seq.*, the Administrative Procedure Act.

(b) The Policy and Management Analysis Staff performs the following functions:

(1) Coordinates the development and monitors the implementation of the Agency's long-term program and management plans, ensuring that these plans are up to date at all times;

(2) Ensures that these long-term plans include quality-improvement, efficiency, and cost saving initiatives;

(3) Ensures that audit resolutions are incorporated in the Agency's strategic planning and other processes for establishing goals and objectives; and

(4) Initiates and coordinates management productivity programs of the Agency.

§§ 1700.10—1700.19 [Reserved]

Subpart B—Programs

§ 1700.20 Insured electric loans pursuant to section 305 of the Rural Electrification Act, as amended.

(a) *General.* These loans are made from the Rural Electrification and Telephone Revolving Fund for purposes authorized by section 4 of the RE Act. The standard interest rate on these loans is 5 percent, but a rate as low as 2 percent is authorized by section 305(b) of the RE Act if a borrower:

(1) Has experienced extreme financial hardship; or

(2) Cannot, in accordance with generally accepted management and accounting principles and without charging rates to its customers or subscribers so high as to create a substantial disparity between such rates and the rates charged for similar service in the same or nearby areas by other suppliers, provide service consistent with the objectives of the RE Act.

(b) These loans are made to finance the construction and operation of electric facilities and systems to provide initial and continued adequate electric service to persons in rural areas not receiving central station service at the time of the initial RUS loan. The loans, approval of which rests solely within the discretion of the Administrator, must be self-liquidating within a period not to exceed 35 years, and must be reasonably secured in the judgment of the Administrator. Under the RE Act, they may be made to persons, corporations, public bodies, and cooperative, non-profit, or limited dividend associations. Preference is given to public bodies and cooperative, non-profit, or limited dividend associations.

(c) *Loan applications.* Applications for these loans are made on forms prescribed by RUS and supported by a resolution of the applicant's board of directors. Copies of these standard forms are made available by RUS on request. Loan applicants are assisted, as necessary, in preparing the loan application and supporting data. If an application is acceptable after legal, engineering, economic, and financial studies, funds are obligated by a loan contract and the borrower gives a note, mortgage and, in some cases, other security.

(d) *Construction.* Under the loan agreements, RUS reserves the right to approve the design and construction of the facilities, and to require progress reports on construction and audits of the borrower's records relating to construction.

(e) *Advance of loan funds.* Loan funds are advanced on the basis of requisitions submitted by borrowers in accordance with the loan contract and RUS regulations.

§ 1700.21 Insured telephone loans pursuant to section 305 of the Rural Electrification Act, as amended.

(a) *General.* (1) These loans are made from the Rural Electrification and Telephone Revolving Fund for purposes authorized by section 201 of the RE Act. The standard interest rate on these loans is 5 percent, but a rate as low as 2 percent is authorized by section 305(b) of the RE Act under the same conditions as specified in § 1700.20(a) of this part.

(2) These loans are made for the purpose of improvement, expansion, construction, acquisition and operation of telephone lines, facilities, or systems to furnish or improve telephone service in rural areas. Borrowers may be required to provide a portion of the investment themselves. The loans, approval of which rests solely within the discretion of the Administrator, must be repaid within a period, not to exceed 35 years, that approximates the expected useful life of the facilities financed and must be reasonably secured in the judgment of the Administrator. The loans may be made to any type of commercial or nonprofit corporation now providing or who may hereafter provide telephone service in rural areas. Preference is given to persons already providing telephone service in rural areas and to cooperative, non-profit, limited dividend or mutual associations.

(b) *Loan applications.* Applications for these loans are made on forms prescribed by RUS, copies of which are available from RUS on request. Loan applicants are assisted, as necessary, in conducting area coverage surveys and in preparing loan applications. If an application is acceptable after legal, engineering, economic and financial studies, funds are obligated by a loan contract and the borrower gives a note, mortgage and, in some cases, other security.

(c) *Construction.* Under the loan agreements, RUS reserves the right to approve the design and construction of facilities and to require progress reports on construction and audits of the borrower's records relating to construction.